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Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

UNITED STATES OF AMERICA,)	No. CR 08-477-1 DLJ
)	No. CR 08-477-2 DLJ
Plaintiff,)	
)	STIPULATION AND []
v.)	RESTITUTION ORDER FOR INDIVIDUAL
)	VICTIMS OF MORTGAGE LOAN FRAUD
EDITH NELSON, and)	
RONALD NELSON,)	
)	
Defendants.)	

Plaintiff United States of America, by and through its attorney of record, and defendants Edith Nelson and Ronald Nelson, by and through their respective attorneys of record, hereby stipulate as follows:

1. On February 3, 2012, defendant Edith Nelson pled guilty to Conspiracy to Commit Bank Fraud and Wire Fraud, in violation of 18 U.S.C. § 1349; Monetary Transactions Using Criminally Derived Property, in violation of 18 U.S.C. § 1957(a); Income Tax Evasion, in violation of 26 U.S.C. § 7201; and Harboring of an Illegal Alien, in violation of 8 U.S.C. § 1324(a)(1)(A)(iii). Also on February 3, 2012, defendant Ronald Nelson pled guilty to Conspiracy to Commit Bank Fraud and Wire Fraud, in violation of 18 U.S.C. § 1349; Income Tax Evasion, in violation of 26 U.S.C. § 7201; and Harboring of an Illegal Alien, in violation of 8 U.S.C. § 1324(a)(1)(A)(iii).

1 2. On May 10, 2012, this Court sentenced defendants Edith Nelson and Ronald Nelson
2 pursuant to their plea agreements under Rule 11(c)(1)(C) of the Federal Rules of Criminal
3 Procedure. As part of their plea agreements, defendants Edith Nelson and Ronald Nelson agreed
4 to pay restitution in the total amount of \$5,223,476.90 (plus interest and penalties on the restitution
5 owed for income tax evasion) as follows:

6 A. \$3,384,368.54 for mortgage loan fraud;

7 B. \$292,862 plus interest and penalties for income tax evasion; and

8 C. \$1,546,246.40 for the back wages of employees and former employees, as
9 determined by the U.S. Department of Labor.

10 3. The agreed upon restitution involved victims which are financial institutions and
11 government entities, such as the Federal Deposit Insurance Corporation and the Internal Revenue
12 Service, as well as individual victims. The government previously provided the defendants with
13 charts setting forth, *inter alia*, the names of the victims and the restitution owed to each of them.
14 The government represents that it has provided the addresses for payment of restitution to the U.S.
15 Office of Probation.

16 4. At the sentencing proceeding, this Court granted the United States' request that the
17 respective judgments indicate that the individual victims have priority for payment of restitution
18 over the lending institutions and government entities pursuant to 18 U.S.C. § 3664(i). This Court
19 directed that the parties submit stipulations and proposed orders setting forth the order of priority
20 for payment of restitution and the amount of restitution owed to each victim, as the parties had
21 agreed in entering into the respective plea agreements. With respect to defendants Edith Nelson and
22 Ronald Nelson, this Court directed that stipulations and proposed orders for the payment of
23 restitution be submitted regarding: (1) individual victims of mortgage loan fraud; (2) forty-nine
24 individual victims who are owed back wages; (3) financial institutions who are victims of mortgage
25 loan fraud; and (4) Internal Revenue Service for payment of taxes owed.

26 5. The parties agree that, if the defendants make partial payments, the individual
27 victims of mortgage loan fraud as well as the individual victims who are owed back wages shall
28 receive approximately proportional payments until full restitution is paid to all of the individual

1 victims. After all of the individual victims are paid restitution in full, the financial institutions who
 2 are victims of mortgage loan fraud shall receive approximately proportional payments of restitution
 3 until full restitution is paid to those financial institutions. After all of the financial institution victims
 4 are paid restitution in full, the Federal Deposit Insurance Corporation ("FDIC"), a quasi-
 5 governmental entity, shall receive all restitution payments until the FDIC is paid in full. After the
 6 FDIC is paid full restitution, the Internal Revenue Service ("IRS") shall receive all remaining
 7 payments until full restitution is made to the IRS, including interest and penalties on the taxes owed.

8 6. The parties agree that defendants Edith Nelson and Ronald Nelson shall pay,
 9 jointly and severally, restitution owed to the individual victims of mortgage loan fraud listed below
 10 in the total amount of \$227,000.

11 Defendants (Jointly & Severally Liable)	12 Joint & Several Restitution	Name of Victims
13 Edith Nelson and Ronald Nelson	\$ 227,000	Dennis Duncan and Shawna Duncan

14 7. The restitution amounts owed by defendants Edith Nelson and Ronald Nelson to the
 15 financial institutions and other individual victims of mortgage loan fraud are set forth in separate
 16 stipulations and orders.

17
 18 IT IS SO STIPULATED.

19
 20 Dated: June 20, 2012

Respectfully submitted,

MELINDA HAAG
 United States Attorney

 /s/
 DEBORAH R. DOUGLAS
 Assistant United States Attorney

1 Dated: June 20, 2012

_____/s/_____
JOYCE LEAVITT
Assistant Federal Public Defender
Attorney for Defendant Edith Nelson

4 Dated: June 15, 2012

_____/s/_____
GILBERT EISENBERG
Attorney for Defendant Ronald Nelson

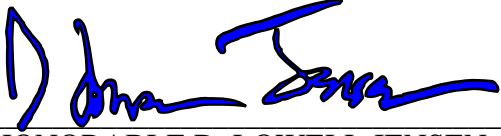
7 ORDER

8 Based upon the parties' stipulation and plea agreements, IT IS HEREBY ORDERED that
9 defendants Edith Nelson and Ronald Nelson shall pay, jointly and severally, restitution owed to the
10 individual victims of mortgage loan fraud listed in the stipulation in the total amount of \$227,000.

11 IT IS FURTHER ORDERED that the Clerk's Office shall not disclose the addresses of the
12 individuals victims to the defendants or the public.

14 IT IS SO ORDERED.

15 Dated: June G, 2012



HONORABLE D. LOWELL JENSEN
SENIOR UNITED STATES DISTRICT JUDGE